

HELLER, HOROWITZ & FEIT, P.C.

JACOB W. HELLER
RICHARD F. HOROWITZ
ELI FEIT
LAWRENCE J. TOSCANO
STUART A. BRANDER
MAURICE W. HELLER
ALAN A. HELLER
CLIFFORD J. BOND

ATTORNEYS AT LAW
292 MADISON AVENUE
NEW YORK, N.Y. 10017
(212) 685-7600

MARTIN STEIN
COUNSEL

CABLE ADDRESS
HELLFEITER, N.Y.

TELECOPIER
(212) 696-9459

WORLD WIDE WEB
HTTP://WWW.HHANDF.COM

E-MAIL
MSTEIN@HHANDF.COM

ALLEN M. EISENBERG
JOSEPH S. SCHICK
EVAN R. SHUSTERMAN

November 1, 2007

VIA FEDERAL EXPRESS

Hon. Richard Berman
United States District Court
Southern District of New York
500 Pearl Street
New York, New York 10007

MEMO ENDORSED

Re: *Grunstein et al. v. Silva et al.*
07 CIV. 3712

Dear Judge Berman:

I am writing this letter as counsel for plaintiffs in response to the letter from Joseph Donley, in which he asks the Court on behalf of defendants, to postpone the previously scheduled December 3, 2007 settlement conference (at which the principals of the parties were directed by the Court to be present).

While it is true that the discovery deadline has now been extended until March 28, 2008, and that there remains a substantial amount of discovery to be completed, plaintiffs believe that it would still be productive to have the settlement conference on the originally scheduled date for the following reason.

This dispute began nearly two years ago, and by now, each side is well aware of the other's position. While there remains discovery to be done, by December 3rd, all document discovery will have been completed. Moreover, the only two depositions that have taken place so far have yielded significant testimony. Brink Dickerson, a partner at Troutman Sanders testified that (at a time when he was representing defendants in the Beverly transaction), Mr. Silva "acknowledged" that there was a "50/50 split" in the Beverly acquisition between Mr. Silva and "Mr. Grunstein and/or people related to him" (Tr., page 62). Similarly, Richard Lerner, as managing director of Credit Suisse (which arranged for more than \$1 billion in financing for the acquisition) testified that he participated in a telephone conversation in which Mr. Silva and Mr. Grunstein were "in

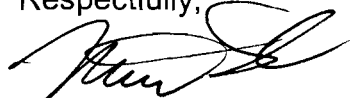
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agreement" that they would be "50/50 partners" in the Beverly transaction "going forward" (Tr., page 39).

Plaintiff's believe that substantial amounts of time and money might be saved by going forward with the conference as scheduled, with the parties present. If the case does not settle on December 3rd, very little will have been lost.

Respectfully,



Martin Stein

MS:sp

cc: Hon. Ronald Ellis, Magistrate Judge (via Federal Express)
Joseph Donley, Esq. (via Email)

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The Parties + Counsel are encouraged to work hard on settlement. Perhaps the Magistrate Judge can help in the short term.	
SO ORDERED:	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Date: 11/5/07	Richard M. Berman
	Richard M. Berman, U.S.D.J.